

MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY

INTEROFFICE COMMUNICATION

TO: Liesl Eichler Clark, Director *YEC*

THROUGH: Aaron B. Keatley, Chief Deputy Director  
Amy Epkey, Administration Deputy Director

FROM: Jack Schinderle, Director *JMB eating*  
Waste Management and Radiological Protection Division

DATE: February 12, 2019

SUBJECT: Approval of Scrap Tire Market Development Grant Recommendations for  
Fiscal Year (FY) 2019

The Waste Management and Radiological Protection Division (WMRPD), Solid Waste Section's (SWS), Sustainable Materials Management Unit (SMMU) has completed the review of the applications received for the FY 2019 Scrap Tire Market Development Grant Program Funding under Part 169, Scrap Tires, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, and is requesting approval to fund the recommended projects.

Thirty one eligible market development and one law enforcement grant applications were received requesting \$8,035,058 in funding. Based on remaining appropriated funds, we are recommending the funding of one law enforcement grant project, five market development grant projects, and a Scrap Tire Market Development Study; these will utilize a total of \$2,516,756 from the Scrap Tire Regulatory Fund for FY 2019. The majority of unfunded projects, which total \$5,518,302, are local road commission or municipal road paving projects.

Grant evaluation was based on the three top priorities of the Market Development Program: the highest priority and points are awarded for equipment purchases; the next highest priority and points are awarded for research and development; and the lowest priority and points are awarded for paving projects. Each application was individually scored, and the projects were ranked in order by score. In addition, funding recommendations were made for each project. The spreadsheet for the individual scores, ineligible projects, unfunded projects, and recommended funding amounts is attached.

Continued development of scrap tire commodity markets, other than Tire Derived Fuel (TDF), is essential to the continuing success of the Scrap Tire Regulatory Program. It is anticipated that TDF use will continue to decline. This decline appears to be primarily due to reduced alternative energy costs, the costs of operation of small coal fired or co-generation plants, and federal clean air regulations. This year's grant applicants did not request any funds for TDF. The recommended projects will help to drive development of other market segments.

The recommended projects are:

- Detroit Police Department (DPD) (\$232,000): The city of Detroit covers 142.9 square miles, and the dumping of scrap tires is a significant issue. The grant has three goals: the first goal is to increase DPD's capability to inspect tire shops independently of MDEQ; the second goal is to continue implementation of preventative measures by purchasing and

installing cameras at known dumping locations; the third goal is to prevent future dumping by raising awareness in the tire industry, scrap tire haulers, and the community.

- City of Mackinaw Island (\$61,772): Funds will be used for the development of a closed loop system for collecting, processing, and utilizing waste glass generated on Mackinaw Island as aggregate for use in road repairs, in conjunction with scrap tire rubber material containing GreenDeck Repair Solution (Renewable Infrastructure Solutions, LLC). GreenDeck material containing Michigan scrap tires and glass generated on Mackinaw Island will be utilized as aggregate to repair approximately 900 feet of Market Street and study how well it resists rutting.
- Cobalt Holdings, LLC (\$491,250): Funds will be used for expansion and processing improvements, i.e., replacing a twenty year old shredder, adding a second shredder, installing a new rasper, and upgrading a cracker mill. Processing is estimated to increase monthly by 25 to 35 percent with these improvements.
- Entech, Inc. (\$1,237,561): Funds will be used for installation of two tire shredding systems and auxiliary equipment to process high wire chips. The chips will be processed into wire, tire derived fuel (TDF) chips, and crumb rubber. Wire recovered from this process will be melted and sold as ingots to foundries in Michigan and other midwestern states. The facility estimates annual capacity of 50,000 to 70,000 tons of wire/chip production (50,000 tons would be equivalent to approximately 4.5 million passenger car tires).
- Marquette County Solid Waste Management Authority (MCWMA) (\$202,296): Funds will be used for the installation of two tire shredders. MCWMA is centrally located in the Upper Peninsula and is a licensed solid waste disposal facility. Scrap tires will be processed and utilized as daily cover at the landfill. Additional market opportunities for processed tire material will also be explored.
- Kent County Road Commission (\$241,876): This will fund a project utilizing advanced surface-treated ground tire rubber-modified asphalt to be done in conjunction with Michigan Technological University. The project will be paving Cascade Road from Burton Street to 28<sup>th</sup> Street (Cascade Township), equating to 0.5 miles with a width of 60 feet. Half of the project will utilize polymer-modified asphalt emulsion to be compared with the half that will utilize emulsified rubber. The project will use more than 3200 scrap tires.
- Scrap Tire Market Development Study (\$50,000): A Request for Proposals will be offered to secure third-party development of a scrap tire market study. The purpose of this study is to help determine where future Market Development Grant funds are best directed to develop scrap tire commodity markets other than TDF, and ensure the continuing success of the Scrap Tire Regulatory Program.



If you have any questions, please contact Mr. Jeff Spencer, Supervisor, SMMU, SWS, WMRPD, at 517-284-6879; spencerj3@michigan.gov; or you may contact me at 517-284-6551.

Approved:

  
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Amy Epkey, Administration Deputy Director

2/13/19  
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Date

  
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Aaron B. Keatley, Chief Deputy Director

2.14.19  
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Date

  
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Liesl Eichler Clark, Director

2/21/19  
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Date

Attachments

cc: Kathy Tetzlaff, DEQ  
Rhonda S. Oyer, DEQ  
Jeff Spencer, DEQ  
Kirsten Clemens, DEQ







## ***Michigan Department of Environmental Quality News Release***

For Immediate Release: February 11, 2019

For More Information:

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DEQ Media Office, [deq-assist@michigan.gov](mailto:deq-assist@michigan.gov), 517-284-9278

# **MDEQ awards \$2,516,756 million for scrap tire market development and law enforcement**

The Michigan Department of Environmental Quality (MDEQ) announced today the funding of more than \$2.5 million in grants to develop new uses for used vehicle tires and to support increased law enforcement activities within the City of Detroit.

When illegal dumping in the environment occurs, scrap tires pose both a fire hazard and a human health risk as a mosquito breeding ground. These grants help reduce or eliminate instances of illegal dumping, support proper collection and handling, and begin to define scrap tires as a commodity, rather than a waste material.

These scrap tire grants support building sustainable markets for recycled tire materials in Michigan. Grants have traditionally included support for essential equipment and materials that aid in the establishment of new markets, including various manufacturing processes, implementation and testing of paving materials, energy generation, and other innovative approaches.

These grants contribute to a more sustainable business model for the scrap tire industry through increased market opportunities for scrap tire processors, end users, and manufacturers. The 2019 funding will be used to support the following projects:

- **Detroit Police Department (DPD) (\$232,000):** The city of Detroit covers 142.9 square miles, and the dumping of scrap tires is a significant issue. The grant has three goals: the first goal is to increase DPD's capability to inspect tire shops independently of MDEQ; the second goal is to continue implementation of preventative measures by purchasing and installing cameras at known dumping locations; the third goal is to prevent future dumping by raising awareness in the tire industry, scrap tire haulers and the community.

- City of Mackinaw Island (\$61,772): Funds will be used for the development of a closed loop system for collecting, processing and utilizing waste glass generated on Mackinaw Island as aggregate for use in road repairs, in conjunction with scrap tire rubber material containing GreenDeck Repair Solution (Renewable Infrastructure Solutions, LLC). GreenDeck material containing Michigan scrap tires and glass generated on Mackinaw Island will be utilized as aggregate to repair approximately 900 feet of Market Street and study how well it resists rutting.
- Cobalt Holdings, LLC (\$491,250): Funds will be used for expansion and processing improvements, i.e., replacing a twenty year old shredder, adding a second shredder, installing a new rasper and upgrading a cracker mill. Processing is estimated to increase monthly by 25 to 35 percent with these improvements.
- Entech, Inc. (\$1,237,561): Funds will be used for installation of two tire shredding systems and auxiliary equipment to process high wire chips. The chips will be processed into wire, tire derived fuel (TDF) chips and crumb rubber. Wire recovered from this process will be melted and sold as ingots to foundries in Michigan and other midwestern states. The facility estimates annual capacity of 50,000 to 70,000 tons of wire/chip production (50,000 tons would be equivalent to approximately 4.5 million passenger car tires).
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- Scrap Tire Market Development Study (\$50,000): A Request for Proposals will be offered to secure third-party development of a scrap tire market study. The purpose of this study is to help determine where future Market Development Grant funds are best directed to develop scrap tire commodity markets other than TDF, and ensure the continuing success of the Scrap Tire Regulatory Program.

For more information about Michigan's Scrap Tire Program, visit [www.michigan.gov/scraptires](http://www.michigan.gov/scraptires).



## **2019 SCRAP TIRE MARKET DEVELOPMENT AND LAW ENFORCEMENT GRANT TALKING POINTS**

- **There were 31 eligible market development and one law enforcement grant applications received by Waste Management and Radiological Protection Division (WMRPD), Solid Waste Section, Sustainable Materials Management Unit.**
- **Applicants requested a total of more than \$8 million to fund equipment, law enforcement, paving, or research and development projects.**
- **The grant review committee within the WMRPD recommends funding the law enforcement grant project for city of Detroit Police Department for \$232,000.00.**
- **Additionally, four grant projects will support purchase of new equipment for scrap tire processing in Michigan. These projects total \$1,992,879.50.**

- One paving project will be funded for Kent County Road Commission working with Michigan Technological University for \$241,876.50 (the ask was for \$247,371.00). This project will pave 0.5 miles of Cascade Road (a heavily trafficked road) using polymer-modified asphalt emulsion on half and emulsified rubber on half for comparison purposes.
- The FY 2019 Scrap Tire Cleanup Grant Program is administrated under Part 169, Scrap Tires, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended.
- A total of \$3.5 million has been appropriated for FY 2019 from the Scrap Tire Regulatory Fund for the Scrap Tire Cleanup and Scrap Tire Market Development Grant Programs.
- The scrap tire cleanup grants are given priority and are awarded before the market development grants.



- **All regions of the state of Michigan were represented by grantees.**